ABSTRACTS

1. **EFFECTS OF ENVIRONMENTAL CHARACTERISTICS ON EARNINGS QUALITY OF SMEs IN THAILAND**

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ABSTRACT

The objective of this study is to examine the relationships between environmental characteristics and earnings quality. Small and Medium-Sized enterprises (SMEs) in Thailand were chosen as the sample. Environmental characteristics are main factors for building earnings quality. They consist of environmental munificence, environmental complexity, and environmental dynamism. Here, we attempt to link environmental characteristics to earnings quality and investigate them by hypothesizing the positive relationships. The results of this study indicate that environmental munificence, environmental complexity, and environmental dynamism have direct and positive impacts on earnings quality. Also, they play significant roles in effectively building, explaining, and driving firms' earnings quality in the competitive markets. Giving potential discussion is efficiently implemented in the study. Theoretical and managerial contributions are explicitly provided. Conclusion, suggestions and directions for the future research are described.

Keywords: *Small and Medium-Sized Enterprises, Environmental Characteristics, Environmental Munificence, Environmental Complexity, Environmental Dynamism, Earnings Quality*

2. **EXPLORING THE RELATIONSHIP BETWEEN INSTITUTIONS AND ECONOMIC PERFORMANCE IN ROMANIA**

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ABSTRACT

Majority of the economic literature acknowledge the fact that there is a strong relationship between institutional quality and economic performance. The main theories of institutional change underline the importance of both formal and informal institutions and, more important, their interaction in enhancing progress and welfare. Romania is a particular model of institutional change in a transition economy, which provides strong evidences that informal institutions have a great impact on the enforcement of the formal ones. This study aims at analyzing the relationship between formal and informal institutions in Romanian economy after 1989 and its impact on economic performance. There will be analyzed several governance indicators (data measuring aspects of governance such as Voice and Accountability, Rule of Law etc.) and indicators of economic performance (such as GDP real growth rate, inflation rate and unemployment rate). Our study is based on data provided by the World Bank, the International Monetary Fund and the National Institute of Statistics. The paper also deals with the problems and challenges Romanian institutions are confronted with, considering the "endless" transition and the recent adhesion to European Union.

Keywords: *Institutions, Transition, Institutional change, Reform, Economic performance, Progress, Expectations.*

3. INVESTMENT PROJECT VALUATION AS A PORTFOLIO OF REAL OPTIONS (SIMULATION APPROACH)

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ABSTRACT

This paper is focused on a project valuation with embedded portfolio of real options. Portfolio includes selected types of European-type options: option to expand, contract a project, option to abandon a project and option to shut down and restart a project. Valuation is based on the simulation basis; results are compared on Value at Risk measure basis. First, the project is valued if no option is taken into account. Next, selected real options in isolation are valued. In the end, results are compared and discussed.

Keywords: *Real option, underlying asset, exercise price, intrinsic value, payoff function, simulation, Cholesky algorithm, density function, distribution function, Value at Risk, Expected shortfall.*

4. HIGHLIGHTS FOR A HISTORY OF ACCOUNTABILITY

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ABSTRACT

This paper argues for the pivotal role played by accountability in both corporate governance theory and practice. The reader is invited to take a journey through the history of the concept, by highlighting ten major points of interest, either real-life events or academic debates, which can be summarized as follows: the emergence of the corporation and the criticisms expressed by Adam Smith; the birth of the modern theory of corporate governance – Berle and Means (1932), Jensen and Meckling (1976) and Freeman (1984) – as proponents of agency theory, and stakeholder theory, respectively; corporate governance codes and the European Union's policy concerning corporate governance; the Enron case and the fall of Arthur Andersen, followed by the controversy surrounding the Sarbanes-Oxley Act; finally, the globalization of corporate governance and the responsibility of the true and fair reporting as promoted by the OECD Principles of Corporate governance. The aim of devising accountability is the set up of trust in governance institutions. However, the turbulent history of global governance points to the increasing fragility of businesses worldwide.

Keywords: *corporate governance, stakeholder theory, conceptual framework, accountability*

5. RELATING OD INTERVENTIONS TO THE STRATEGY OF THE FIRM

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ABSTRACT

The purpose of this paper to explore the matching between generic strategy of the organization and suitable organization development interventions. The linkages between organizational strategy and its HR practices is still not sufficiently explored research area. The present paper captures the evidence to explore the link between typology of the organization and the suitable organizational intervention respectively. We used Miles and Snow typology for the generic strategy of the firm and took 'Defender' and 'Prospector' types. Out of number of interventions for Organization development, we selected a few interventions and gather the research evidence to support our propositions. We collected data from previous researches and case studies.

Keywords- *Defender, Prospector, Intervention, Culture.*

6. FINANCIAL POLICY FOR AN AGING WORLD

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ABSTRACT

Worldwide aging poses a range of international financial issues. Important problems that have yet to receive much attention include the long term financial impact on nations' economies and on investment potential in these nations. Saving for the future will not address the fundamental challenges of the aging revolution. Declining levels of savings and investment at the time support is needed for the elderly will have profound long term impact on aging nations and will cause a permanent reduction in those nations' economies. Such trends may be exacerbated by international investment flows away from aging nations toward younger nations. Workers may migrate from older to younger nations. These issues call for novel solutions such as international treaties under which nations agree not to abandon their elderly. International stabilization funds and long term borrowing may also be used to spread the burden of an aging population over several generations.

Keywords: Aging, Financial Policy, International Investment

7. LEARNING ORGANIZATION AND BUSINESS EXCELLENCE STRATEGY IMPLEMENTATION IN THE INDIAN CONTEXT

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ABSTRACT

Building a Creative and a Learning organization is recognized as an outcome for an organization moving towards Business Excellence by applying Total Quality Management (TQM) as a corporate philosophy in their organizations. The paper attempts to integrate the concept of Learning Organization with Business Excellence. Indian organizations like Tata Steel, Infosys Technologies, Maruti Udyog Limited (MUL) and Sundaram Clayton, which have applied various models of Business Excellence, which incorporates the philosophy of TQM as a part of their corporate strategy is studied in this context. Hero Honda, National Thermal Power Corporation (NTPC), Bharat Electronics Limited (BEL) and North Delhi Power Limited (NDPL), which have not been awarded for Business Excellence, but are applying this concept for moving towards excellence, are taken as companies for comparison purposes as control companies. Through secondary research, the paper looks into the linkage between Business Excellence and Learning Organization. The primary research carries out a statistical test of significance of difference between the mean scores of awarded and non-awarded organizations, out for each of the dimensions of the Learning Organization Practice Profile, the instrument used for primary research. Pooling the scores of all the dimensions for awarded and non-awarded organizations carries out another test of significance of difference between the means. It is seen that, though the average score of those organizations that have been awarded for business excellence is higher than the non-awarded organizations, on each of the dimensions and the aggregate levels, the difference does not seem to be statistically significant. Based on this study of the organizations in India, the paper attempts to explore, how the concept of Learning Organization has helped these organizations to move towards Business Excellence.

Keywords: Learning Organization, Business Excellence, Total Quality Management, and Strategy Implementation

8. NEURAL NETWORKS: AN EFFECTIVE ALTERNATIVE APPROACH TO THE INVESTIGATION OF THE DETERMINANTS OF EXPORT PERFORMANCE

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ABSTRACT

For nearly half a century, marketing scholars and practitioners have investigated hundreds of factors associated with a firm or nation's export success. While a variety of techniques have been used, multiple regression analysis (MR) appears to be the principal method of choice. This article proposes the use of neural networks (NN) as an alternative to and a more effective approach than MR for estimation of structural parameters of export performance. To investigate this proposition, a study was conducted with data collected from a sample of Brazilian exporters. The study adopted 3 financial measures of export performance—export intensity, export revenues, and export growth—and 17 different firm and export market characteristics as independent variables. All measures have been widely investigated in prior studies. The NN models accounted for most of the variance of the three dependent variables and were all significantly better than the MR models.

Keywords: *International Marketing; Export Performance; Export Success; Determinants of Export Performance; Neural Networks; Structural Parameter Estimation.*

9. AUDIT COMMITTEE: WHAT WENT WRONG AND WHAT SHOULD BE DONE?

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ABSTRACT

During the past few years, the marketplace has witnessed a flurry of regulations to contain corporate fraud. Although regulatory initiatives are urgently needed to improve the quality of the financial disclosures, they are not, however, a panacea for an endemic problem. As a matter of fact, the New York Stock Exchange has required companies to comply with listing standards for nearly 150 years, and has periodically amended and supplemented those standards at the request of the marketplace. Nonetheless, these initiatives have proved to be predominantly inept in averting a breakdown in the corporate governance system of the listed firms. Undoubtedly, the most effective policemen against disingenuous financial disclosures are the outside directors who maneuver within the confines of the boardroom, and particularly those serving in the audit committee. As such, the intent of this study is to identify the possible causes of the malfunctioning of audit committees. The diagnosis is based on surveys and expert interviews with seasoned experts. A holistic strategy is then proposed to enable the audit committee to operate as active monitors and be vigilant not just in crisis situations, but also continually to avert crises from ever happening in the first place.

Keywords: *Audit Committee; Corporate Governance; Board of Directors; Corporate Fraud; Management of Earnings; Directors' Selection; Sarbanes-Oxley Act*

10. QUALITY ENHANCEMENT THROUGH APPLICATION OF CLASSIFICATION TREES

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ABSTRACT

Significant efforts are being made to enhance the quality of products and services in all sectors of economy across the world. Organizations, which fail to provide quality goods and/ or services, are likely to fail. The cost of poor quality is estimated to be about 30 percent to 40 percent if the organization is operating at what is called 2 Sigma level. Classification tree method is one of the effective techniques for identifying the source of poor quality. This paper applies classification tree method to identify the major sources of poor quality in the manufacture of rail wheels at the Rail Wheel Factory (RWF) at Bangalore, India.

Keywords: *Classification trees, Quality Enhancement, Cost of Poor Quality, Rail Wheel Factory*

11. EXPORT DEMAND FOR AUSTRALIAN DAIRY FOOD IN THAILAND

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ABSTRACT

Econometric models of export demand for Australian dairy food (milk dry and butter) are developed and estimated in this paper using unrestricted error correction modelling procedure and data for the period 1975-2000. The findings indicate that, in the short run As well as in the long run, export demand for Australian milk dry and butter in Thailand decreases when Australia's export price relative to that of competing countries increases. The estimated long run relative price elasticity of export demand for Australian milk dry and butter in Thailand are, -2.75 and -1.13, respectively. Export demand for Australian butter in Thailand declines when the Thai baht depreciates against the Australian dollar, and the estimated long run exchange rate elasticity of demand is –6.34

Keywords: *Thailand, Australia, export demand, dairy food.*

12. THE NEW PRODUCT LEARNING CYCLE IN TECHNOLOGY MANAGEMENT

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ABSTRACT:

Webster's dictionary defines learning as "gaining knowledge, comprehension, or mastery through experience or study." In a business sense, many recent managers have started paying close attention to organizational learning. In 1990, Peter Senge, founder of the Society for Organizational Learning, defined a learning organization as "an organization that is continually expanding its capacity to create its future." Other definitions add that learning organizations focus on developing and using their information and knowledge capabilities to create higher-value information and knowledge, to change behaviors, and to improve results. Learning organizations encourage people to seek new ideas, collect information, review past performance and future needs, challenge assumptions, give and receive feedback, and (always) share what is learned. This paper will look at the way companies go through the product

development stages, describe how they can learn from failed products, and how they can continually develop successful products if they seek new ideas, look for possible failure solutions, and continually collect and share information throughout the organization. The model will be closely tied to the organizational learning model as well as the product life cycle.

13. GENETIC ALGORITHM BASED HEURISTICS FOR THE DYNAMIC FACILITY LAYOUT PROBLEM

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ABSTRACT

The problem of rearranging manufacturing facilities over time is known as Dynamic Facility Layout Problem (DFLP). The objective is to minimize the sum of the material handling and the rearrangement costs. The problem is NP-hard and has begun to receive attention very recently. In this paper, we present four genetic algorithm (GA) based heuristics (that use new crossover and mutation operators) that are developed for solving the DFLP. These heuristics were applied to problem set given by Balakrishnan and Cheng (2000) and it was found that the proposed heuristics provide promising results.

Keywords: *Dynamic Facility Layout Problems, Genetic Algorithm, Heuristic*

14. CREATING ENTREPRENEURIAL OPPORTUNITIES IN CHINA: RESULTS FROM AN ICELANDIC TRADE MISSION

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ABSTRACT

The trade mission is one of the mechanisms available to governmental policy makers to encourage entrepreneurs to take advantage of opportunities abroad. The purpose of this study is to investigate the role of trade missions in creating entrepreneurial opportunities across geographical areas which differ greatly in terms of size, culture, and business environment. The investigation is based on two surveys of members of a delegation of individuals from approximately 100 Icelandic companies including entrepreneurs from Icelandic businesses, the President of Iceland, officials and staff from several governmental Ministries, and leaders from education, scientific, and civic institutions in Iceland who flew to the People's Republic of China in May 2005. Results indicate that trade missions are effective in helping entrepreneurs take advantage of opportunities across geographical areas. Further, it was determined that the trade mission is most effective in assisting those individuals with pre-existing contacts better identify opportunities in the destination country, and less effective in helping delegates establish new contacts.

Keywords: *Trade Mission; Entrepreneurship; China; Iceland; Survey Methodology.*

15. PRODUCT COUNTERFETING: A VICTIMLESS CRIME OR A CRIME OF THE CENTURY?

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ABSTRACT

It is widely documented and universally recognized that the theft of intellectual property is a significant international trade problem. Laws have been written and are being improved globally to criminalize the manufacture and sale of counterfeit products and provide civil enforcement remedies to remove them from the marketplace. The problem, however, is likely to persist in the business world for the foreseeable future. In this article the author will focus on the intensity of this global problem and its impact on multiple stakeholders including consumers, brand owners, suppliers, distributors, government agencies and others. Larger issues of brand image and intellectual property protection will also be addressed in addition recommendations will be made to help reduce the impact of counterfeit products on brand image and intellectual property.

Keywords: Counterfeiting, Reputational Impact, Organized Crime, China, Strategic Assessment

16. THE GAP BETWEEN LEGISLATION AND DAILY PRACTISE IN THE SWEDISH UNEMPLOYMENT INSURANCE

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ABSTRACT

Most Swedish local labour markets are geographically small. Each public employment services office defines a commuting area. Often, the shape of the commuting area appears to be influenced by the shape of the local labour market. The search area defined in the Swedish unemployment benefit rules (by the twelve-hour principle) most often includes the local labour market as well as the commuting area. Hence, the most frequent case is that the rules are not applied. Moreover, this indicates that jobseekers may face different mobility demands. It is also inferred that local labour markets is not the optimal spatial delimitation for studies of the unemployed persons search for a job.

Keywords: *Unemployment, unemployment insurance, local labour market, commuting area, job-search area, equal treatment, legislation, practise.*

17. STRATEGIES FOR COMBATING SHORTAGE OF SKILLED WORKFORCE IN THE US CONSTRUCTION INDUSTRY

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ABSTRACT

The United States' construction industry has been growing rapidly in the last seven years. Currently, it employs 7.7 million people and will add over 1 million new jobs in 10 years. Colleges and universities offering Construction Management degrees are producing graduates at less than one third of the required number to fill new jobs. At the current level of enrollment, the industry shortage may be much worse by 2019. Despite the industry's image-boosting strategies and numerous apprenticeship trainings, major efforts are still required to attract young men and women into the industry. Efforts such as: (a) consistent advertisement, (b) adoption of construction management programs of various colleges and universities, (c) increased scholarship funding by construction companies, and (d) sponsorship of career clubs and programs in elementary schools, middle and high schools are recommended. A proactive approach by the industry, colleges and universities, and various governmental agencies are required.

18. COMPARISON OF SELF – AND SUPERIOR RATINGS OF JOB PERFORMANCE OF NURSES: A MALAYSIAN STUDY

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ABSTRACT

This study is undertaken to compare self-and superior ratings of job performance among hospital nurses in Malaysia. The study comprised 580 nurses and 70 sisters. A total of 580 matched pairs of superior and subordinate evaluations job performance were obtained in the study. Job performance was measured using three dimensions; job outcome, skill and knowledge, and personal quality. The nurses included in the study provided self- ratings for job performance. The sisters who supervise these nurses provided ratings on job performance of the nurses. The results indicate that there were significant differences in the mean ratings between superior and subordinates for all dimensions of job performance. Superior ratings for all dimensions of job performance were significantly higher than self-ratings.

Keywords: *Job Performance, Appraisal, Self-ratings, Superior ratings, Nurses*

19. AN ASSESSMENT OF ENTRY MODE STRATEGIES OF THE MOBILE PHONE FIRMS: THE BANGLADESH SCENARIO

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ABSTRACT

This article investigates to what extent the entry mode choice of mobile phone firms conforms to the entry modes generally followed by manufacturing firms. A survey of mobile phone companies and published research reveal that the entry mode selection of the mobile phone firms is distinct and the firms do not follow the stage theory in internationalising their operations. Thus the entry mode choices of the manufacturing sector are not generalizable to mobile phone firms, although to a large extent mobile phone firms' entry mode selection has shown consistency with the entry mode choice strategy predicted in literatures for manufacturing firms. The survey also reveals that, even where the host country remains the same, entry mode choices of mobile phone companies varied from firm to firm due to their strategic preferences, risk attitude, and the timing of their entry into the host country.

Keywords*: *Internationalisation, Entry mode, Wholly-owned subsidiary (WOS), Joint venture (JV), mobile phone firms, service industries, MNEs.

20. REGULATORY MODEL IN LIGHT OF PROMOTING EMBRACEMENT OF EMERGING ICT

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ABSTRACT

This paper aims to propose a regulatory model in light of promoting emerging Information Communication Technologies (integration of the four different sectors, namely telecommunications, broadcasting, Information Technology and media) in an era of convergence. Mauritius is used as the reference country for this study. This paper proceeds by introducing the concept of the proposed model. The impact of the concept on the rate of diffusion of emerging ICT is discussed. The model along with its strengths and weaknesses are finally presented.

A TFT-SL concept is proposed, aiming to promote embracement of the emerging ICT. The concept considers convergence process as the main driver for the promotion of the emerging ICT. The TFT-SL concept combines three main principles, namely Transparency (T), Flexibility (F) and Technology neutrality (T) to lead to Self Regulation (S) and Less Regulation (L) as the two main regimes.

The expected impact of the proposed concept on the rate of diffusion of emerging ICT using the S-curve model, namely the Logistic and Gompertz model shows that an adoption of the model implies faster growth. The saturation level is reached earlier unfolding the ultimate effect of the model.

The proposed regulatory model adopts a two stratums principle, namely regulation for the network and regulation for the services. The network stratum represents the communication infrastructures, while the Service Stratum covers all the ICT services. Each stratum is governed by common set of rules.

The proposed model allows regulating similar components (networking technologies or Services) by placing general or similar regulatory requirements within each stratum, thereby laying attention on the three basic principles namely technology neutrality, transparency and flexibility to lead to a self-regulation and less regulation regime.

The main strength of the proposed model is regulatory clarity for existing technologies and easy adaptability to future technologies, while the weaknesses of the proposed model in terms of adoption of the model rest on the level of convergence process.

Keywords: *Emerging ICT, Convergence, Regulatory Model, Embracing, Technology Neutral*